

China signals shift on Ukraine as Russia accused of atrocities

Xi calls conflict a 'war' for first time as it threatens No. 2 economy

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BEIJING -- China appears to be shifting its tone on the war in Ukraine, as Beijing counts the costs of defending a Russian ally accused of war crimes and braces for the economic fallout from Western-led sanctions.

On Tuesday, President Xi Jinping told his French and German counterparts that Beijing was ready to work with the international community to "prevent the tense situation from escalating, or even running out of control," in his strongest comments yet on the two-week-old invasion.

Hinting at China's growing alarm over Russia's invasion, Xi also called for "maximum restraint to prevent a large-scale humanitarian crisis," as the number of civilian casualties mount, including children.

This was "Beijing's strongest indirect pushback yet on Moscow's escalating violence in Ukraine," U.S. risk advisory Eurasia Group said in a report.

Xi, who is looking to secure an unprecedented third term in office later this year, also used the term "war" for the first time, according to an English statement issued by the foreign affairs ministry, after Chinese officials had earlier stuck to Russia's description of the offensive as a "special military operation."

While Xi continued to avoid committing Beijing to the mediator role requested by Ukraine, he praised Paris and Berlin's efforts to resolve the conflict through negotiation.

"The costs of defending the Kremlin are rising as Russian atrocities mount, and sanctions will hurt China's energy-needy economy," John Ciorciari, an associate professor of public policy at the University of Michigan, told Nikkei Asia

China had stood out as one of the few countries not to denounce Russia's invasion of its neighbor, and it abstained on a U.N. Security Council resolution censuring the Kremlin last week.

On Monday, Foreign Minister Wang Yi said relations with Russia were still "rock-solid" despite an avalanche of criticism directed at Moscow. Wang's closely watched press briefing came just a month after the two countries announced a new "no-limit" alliance widely viewed as pushback against the West and any expansion of NATO.

"To some within the policy circle, it was viewed as a step too far," Thomas Zhang, a China expert at U.S. advisory FrontierView, said of the recently announced alliance. "Now the war has given China an opportunity to pull back and redress the course."

Russia faces mounting criticism for flouting international law in its invasion of Ukraine, for attacks on nuclear power plants and hospitals, and the use of indiscriminate weapons. The

International Criminal Court has opened an investigation into alleged war crimes and human rights violations by Russian forces.

During Tuesday's online talks with French President Emmanuel Macron and German Chancellor Olaf Scholz, Xi expressed concern about the global repercussions of a drawn-out war, while hitting out at Western sanctions aimed at crippling Russia's economy.

"Sanctions will affect global finance, energy, transportation and stability of supply chains, and dampen a global economy that is already ravaged by the pandemic," Xi said. "And this is in the interest of no one."

China ranks as one of the biggest buyers of Russia's enormous oil and gas exports, with energy purchases in the first nine months of 2021 expanding 41%, year-on-year, to \$36 billion, according to the Geneva-based International Trade Center.

Russia accounted for some 13% of China's total energy imports, while China's overall trade with Russia ballooned 38.5% on the year in January and February, as the two countries economic ties grow closer.

"Due to the high proportion of China's crude oil and natural gas imports, it will definitely be affected and import costs will rise accordingly," said Lian Weiliang, deputy director of the National Development and Reform Commission, China's top economic planner.

Some Russian banks have also been booted from the SWIFT global payments system in a move that prevents making payments for trade and financial activities, which could hurt Russia's ability to export key commodities such as oil, coal and natural gas.

"It is the financial side of the sanctions that worries the Chinese government more, because Chinese financial institutions are deeply connected to the global financial system," said Zhang at FrontierView.

China is also wary of the threat posed by a direct conflict between nuclear-armed Russia and Ukraine's Western allies, added Wang Huiyao, president of the Beijing-based Center for China & Globalization.

"This is the first time we've seen this happen, and it was quite shocking not only to the ordinary people on the streets but also to China's elites," said Wang, who is also a policy adviser to the Chinese government.

However, it was not clear how committed Xi was to China playing a bigger role in the crisis, and some analysts are skeptical of his making any commitment that risks damaging ties with Moscow.

China would likely insist on any peace deal taking into account what it has described as Russia's "legitimate security interests."

"Xi may also insist on a partial lifting of sanctions on Russia to spur negotiations, which would raise hackles in the U.S.," Eurasia Group said. "China's relations with the West look set to deteriorate further unless Beijing puts more pressure on Moscow."